DOCKET NO.: MSFT-0179/150657.1
Application No.: 09/671,643
Office Action Dated: August 30, 2005

PATENT
REPLY FILED UNDER EXPEDITED
PROCEDURE PURSUANT TO
37 CFR § 1.116

REMARKS

The following Remarks are submitted in response to the Final Office Action

mailed August 30, 2005 in connection with the above-identified application and are being

filed within the three-month shortened statutory period set for a response by the Office

Action. Claims 82, 85, 86, 88, 89, and 91-97 remain pending in the present application.

Applicant respectfully requests reconsideration and withdrawal of the final

rejection of the application, consistent with the following remarks.

Preliminarily, Applicant notes that the Examiner in a section entitled

"Response to Amendment" has stated that the response to the prior Office Action is non-

responsive. Applicants respectfully submit that the Examiner is incorrect for the reasons set

forth below.

Firstly, the Examiner contends that Applicant is non-responsive in that

Applicant has failed to provide support for the language of now-canceled claim 90, as was

requested in connection with an objection set forth in the immediately prior Office Action.

While the Examiner notes that such claim 90 was canceled in the response to such

immediately prior Office Action, the Examiner erroneously notes that such language was

incorporated into claims 82 and 96. In point of fact, the language of cancelled claim 90, "The

method of claim 89 wherein crediting the identified first customer comprises crediting the

first customer according to the count in the sub-entry", was not incorporated into either claim

82 or claim 96 or elsewhere. Moreover, and as is standard patent practice, cancellation of

such claim 90 in the aforementioned response renders such claim as if non-existent, and

accordingly any objection or rejection of such claim is rendered moot such that addressing

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37 CFR § 1.116

such objection or rejection is unnecessary. Thus, Applicant respectfully submits that

Applicant rightly did not address the objection at issue, and was not in fact non-responsive.

Applicants also notes that in connection with the aforementioned non-

responsiveness contention, the Examiner states that "It would appear [from the cancellation

of claim 90] that Applicant has acquiesced to the Examiner's position . . . ". Applicant

respectfully submits that the Examiner's assumption is incorrect. Reasons for canceling such

claim 90, or any claims for that matter, are many and varied, and can be evident or non-

evident. Nevertheless, and again, cancellation of such claim 90 renders such claim as if non-

existent, and accordingly any explanation for such cancellation is unnecessary. By obvious

extension, any supposition of such an explanation is speculative at best, and at any rate is

irrelevant.

Secondly, the Examiner contends that the statement "crediting the first

customer according to . . .", which apparently was recited in canceled claim 90, implies there

is incremental crediting. The Examiner then concludes that the Specification does not appear

to teach what the increments are and how they are established. However, and once again,

cancellation of such claim 90 in the aforementioned response renders such claim as if non-

existent, and accordingly any objection or rejection or even question regarding such claim is

rendered moot and irrelevant such that addressing such objection or rejection or question is

unnecessary.

Applicant also notes that the Examiner in a section entitled "Response to

Argument" has stated that the modifiers 'first' and 'second' are non-descriptive and non-

functional and are not functionally involved in the steps recited, and apparently has thus

chosen to essentially ignore such modifiers. Applicants respectfully disagree. In point of

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Application No.: 09/671,643
Office Action Dated: August 30, 2005

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37 CFR § 1.116

fact, such modifiers are highly descriptive, functional, and functionally involved in giving

structure to the method recited in claims 82 and 96 inasmuch as such modifiers highlight and

specifically point out two distinct actors, a first customer obtaining a first license and a

second customer obtaining a second license, where each such customer as recited performs

specific recited actions in a specific functional relationship with regard to actions performed

by the other customer.

For example, and significantly, the claim language of claims 82 recites:

> the licensor receiving a second license request for a second license from a
> second customer in connection with the content and issuing a second license in
> response thereto, the second customer having received a copy of the content from the
> first customer, the second request including first customer information associated with
> the corresponding piece of digital content and identifying the first customer;

From such language, then, it can be gained that a _second_ license request is received from a

second customer that is not the _first_ customer in connection with the same content, and that a

second license separate from the previously recited _first_ license is issued in response. The

second customer received a copy of the content from the _first_ customer, and the second

request includes _first_ customer information associated with the corresponding piece of digital

content and identifying the _first_ customer.

Consider the same claim language without any 'first' or 'second' modifiers, as

the Examiner would apparently prefer to do:

> the licensor receiving a license request for a license from a customer in
> connection with the content and issuing a license in response thereto, the customer
> having received a copy of the content from the customer, the request including
> customer information associated with the corresponding piece of digital content and
> identifying the customer;

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Application No.: 09/671,643
Office Action Dated: August 30, 2005

PATENT
REPLY FILED UNDER EXPEDITED
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37 CFR § 1.116

Clearly, such claim language without such modifiers is nonsensical and impossible to clearly understand. Thus, such modifiers are crucial and cannot be ignored. As its own lexicographer, Applicant has chosen to employ the aforementioned modifiers in the manner chosen, and the Examiner cannot casually ignore such modifiers, or any other claim language for that matter. Instead, the Examiner must consider that such modifiers are employed for a reason, and must accord an appropriate weight to such modifiers based thereon.

That said, the Examiner has finally rejected claims 82, 85, 86, 88, 89, 91, 93, 96, and 97 under 35 USC § 103(a) as being obvious over Schull (U.S. Patent No. 6,266,654) in view of Koppelman et al. (U.S. Patent No. 6,662,164). In addition, the Examiner has rejected claim 92 under § 103(a) as being obvious over the Schull and Koppelman references and further in view of Krishnan et al. (U.S. Patent No. 6,073,124), and has rejected claims 94 and 95 under § 103(a) as being obvious over the Schull and Koppelman references and further in view of Powell (U.S. Patent Disclosure No. 2001/0032189). Applicant respectfully traverses the § 103(a) rejections.

Independent claim 82 as amended recites a method of issuing digital licenses (plural) from a licensor for a corresponding piece of digital content, where the content was originally issued by a retailer. In the method, a plurality of transactions are performed.

Applicants note here that the Examiner expresses some confusion regarding the structure of the method recited in claim 82 (and apparently claim 96 also). According to the Examiner, the 'performing a plurality of transactions' language is in the preamble and therefore is not given any patentable weight. However, Applicant respectfully points out that

DOCKET NO.: MSFT-0179/150657.1
Application No.: 09/671,643
Office Action Dated: August 30, 2005

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37 CFR § 1.116

such language is not in fact in the preamble. In particular, the first clause of claim 82 is

reproduced here:

> A method of issuing digital licenses from a licensor for a corresponding piece
> of digital content, the content originally having been issued by a retailer, **the method
> comprising** *performing a plurality of transactions*, each transaction comprising:

and the bolded 'the method comprising' clearly demarcates the transition between the

preamble beforehand and the body of the claim thereafter. Thus, it is to be appreciated that

the italicized 'performing a plurality of transactions' language is <u>not</u> in the preamble but is in

fact in the body of claim 82 (and 96 also) and therefore is to be given patentable weight as a

required step of the recited method.

Moreover, Applicant respectfully points out for the convenience of the

Examiner that claim 82 as amended recites a method where, in addition to the step of

performing a plurality of transactions, the method further comprises the step of providing

portions of payments to a first customer based on an accumulated count, as recited in the last

clause of the claim and as will be set forth in more detail below. With regard to the

aforementioned 'performing a plurality of transactions' main step and the 'providing portions

of payments . . .' main step, then, the bulk of the remainder of claim 82 further recites

performing sub-steps of the 'performing a plurality of transactions' main step.

In particular, claim 82 recites that as part of 'performing a plurality of

transactions', and for each transaction, the licensor receives a first license request for a first

license from a first customer in connection with the content, where the first customer has

received a copy of the content from the retailer. The first request includes retailer

information associated with the corresponding piece of digital content and identifying the

retailer. The licensor receives a payment from the first customer in connection with the first

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Application No.: 09/671,643
Office Action Dated: August 30, 2005

PATENT
REPLY FILED UNDER EXPEDITED
PROCEDURE PURSUANT TO
37 CFR § 1.116

license request, retrieves the retailer information from the first license request and identifies the retailer therefrom, and credits the identified retailer for a portion of the payment received in connection with the first license request.

Each transaction then continues with a second customer. In particular, after dealing with the first customer, the licensor then receives a second license request for a second license from a second customer in connection with the content, where the second customer received a copy of the content from the first customer. The second request includes first customer information associated with the corresponding piece of digital content and identifying the first customer. The licensor receives a payment from the second customer in connection with the second license request, retrieves the first customer information from the license request and identifies the first customer therefrom, and credits the first customer for a portion of the payment received in connection with the second license request.

To summarize thus far, then, each transaction of the plurality of transactions performed requires responding to license requests from both first and second customers, where the second customer in the second license request identifies the first customer, and where the licensor upon receiving a payment from the second customer in connection with the second license request credits the first customer for a portion of the payment based on such identification. Put another way, each transaction requires responding to a pair of such license requests, one from the first customer and one from the second customer.

Claim 82 also recites that crediting the first customer during each transaction comprises recording the first customer information in a centralized database for accounting purposes. The database includes an entry for each first customer information, where each entry includes a count for counting the number of times a license has been issued for the

specific first customer information combination. In particular, such recording comprises finding the first customer information entry in the database corresponding to the first customer information of the second request, or creating such sub-entry if none is present, and incrementing the count in such entry.

Thus, over the plurality of the transactions, the count in the entry is accumulated. Accordingly, and again, in the method, and as a separate main step from the 'performing a plurality of transactions' main step, the portions of the payments are provided to the first customer based on the accumulated count. As may now be understood, claim 82 is structured into the two main steps and the sub-steps of the first main step so that the claim recites that a plurality of transactions are performed, and then after such plurality of transactions have caused an accumulation of the count for the first customer, the portions of the payments are provided to the first customer based on the accumulated count. Put another way, a count is maintained so that payments are not necessarily provided after each transaction. As a practical matter, and as should be appreciated, providing such portions of payments in such a per transaction manner to the first customer is likely impractical, inefficient, and costly, especially if each such portion is very small, perhaps on the order of a few cents or so.

Independent claim 96 as amended recites substantially the same subject matter as claim 82, albeit with a single customer making the first and second license requests.

As was previously pointed out, the Schull reference discloses a method for tracking software lineage, whereby a piece of software self-tracks to whom such piece of software is copied. The Schull reference discloses that it would be advantageous to offer purchasers a commission on sales derived from their own purchased copy of a given product.

DOCKET NO.: MSFT-0179/150657.1
Application No.: 09/671,643
Office Action Dated: August 30, 2005

PATENT
REPLY FILED UNDER EXPEDITED
PROCEDURE PURSUANT TO
37 CFR § 1.116

This would encourage users to purchase the product, pass it to other potential purchasers, post it, publicize it, and recommend it on bulletin board systems where it is likely to be discovered or downloaded, and so on. It would also provide a way of offering existing purchasers a discount when they buy second or third copies for use on additional computers.

When a Customer A purchases a copy, his name, address etc is collected along with the Variable Portion data which individuates his particular purchased copy. If subsequent purchases involve new genomes which differ from Customer A's genomes by only one bit, they will be recognizable as first-order derivatives of Customer A's copy; if a new genome is registered which differs by two bits, it will be recognizable as a second order derivative, and so on. Commissions can thus be paid to successful redistributors on a regular basis, and under a variety of terms and conditions which might be specified in the promotional language embedded in the product itself.

The Schull reference does recognize that a first customer might be awarded an incentive based on a purchase by a second customer as derived from such first customer. Moreover, the Schull reference does note that collected Variable Portion data may be accumulated in a central database for analysis and research purposes.

However, and significantly, the Schull reference does not disclose or suggest a system whereby a plurality of transactions are performed where for each transaction license requests are received from <u>both</u> first and second customers, where the second customer in the second license request identifies the first customer, where the Schull licensor upon receiving a payment from the second customer in connection with the second license request credits the first customer for a portion of the payment based on such identification, and where such crediting comprises recording the first customer information in a centralized database for

DOCKET NO.: MSFT-0179/150657.1
Application No.: 09/671,643
Office Action Dated: August 30, 2005

PATENT
REPLY FILED UNDER EXPEDITED
PROCEDURE PURSUANT TO
37 CFR § 1.116

accounting purposes and incrementing a count for the customer, all in a manner akin to that recited in claims 82 and 96.

Thus, the Schull reference is entirely silent regarding that, after the count is accumulated over a plurality of such transactions, the portions of the payments are provided to the first customer based on the accumulated count, as is required by claims 82 and 96. Moreover, the Schull reference does not at all suggest or even appreciate that accumulating such count over the plurality of transactions and then providing the portions of payments in the manner recited in claims 82 and 96 might be useful, especially if providing such portions of payments in a per transaction manner would be impractical, inefficient, and/or costly, especially if each such portion is very small, perhaps on the order of a few cents or so.

The Examiner concedes that the Schull reference does not recognize that a first customer may be credited by recording the first customer information in a database for accounting purposes, where the database includes an entry for each first customer information, and where each entry includes a count for counting the number of times a license has been issued for the specific first customer information combination, as is required by claims 82 and 96. Nevertheless, the Examiner argues that the Koppelman reference teaches such features and all other features deriving therefrom, including finding the first customer information entry in the database corresponding to the first customer information of the second request, creating such sub-entry if none is present, incrementing the count in such entry, the count in such an entry being accumulated over a plurality of the transactions, and providing the portions of the payments to the first customer based on the accumulated count.

The Koppelman reference in fact discloses a system for determining the commission to be paid to a sales representative or sales team, where such system includes

DOCKET NO.: MSFT-0179/150657.1
Application No.: 09/671,643
Office Action Dated: August 30, 2005

PATENT
REPLY FILED UNDER EXPEDITED
PROCEDURE PURSUANT TO
37 CFR § 1.116

defined allocation rules, quotas, promotions, and the like. In addition, and as the Examiner points out, the Koppelman reference appreciates crediting the sales representative or team for certain commission sales. However, and significantly, the Koppelman reference like the Schull reference is entirely silent and does not even suggest or hint that the crediting should or could be done by performing a plurality of transactions, where in each transaction a licensor records a first customer information in a database for accounting purposes, where the database includes an entry for each first customer information, and where each entry includes a count for counting the number of times a license has been issued for the specific first customer information combination, all as required by claims 82 and 96. Thus, and again, the Koppelman reference does not at all recognize or appreciate that such recording should or could comprise finding the first customer information entry in the database corresponding to the first customer information of the second request, or creating such sub-entry if none is present, and incrementing the count in such entry, as is required by claims 82 and 96. Likewise, the Koppelman reference does not at all recognize or appreciate that over a plurality of the transactions, the count in such an entry is accumulated, or that the portions of the payments can be provided to the first customer based on the accumulated count, as is further required by claims 82 and 96.

To summarize thus far, then, and as the Examiner concedes, neither of the Schull and Koppelman references discloses the counting aspects of claims 82 and 96. Nevertheless, the Examiner argues that incrementing counts in entries in the manner set forth in claims 82 and 96 is inherently disclosed in the Koppelman reference for the reason that each time a sales event occurs for a Koppelman agent, a counter must be updated to determine when the agent has reached [his] goal. Applicant again respectfully disagrees, and

DOCKET NO.: MSFT-0179/150657.1
Application No.: 09/671,643
Office Action Dated: August 30, 2005

PATENT
REPLY FILED UNDER EXPEDITED
PROCEDURE PURSUANT TO
37 CFR § 1.116

instead points out that the Koppelman reference in fact discloses no such counter, and again

respectfully submits that other non-counter devices may be employed in connection with the

Koppelman reference to track an agent goal. For example, rather than an incremented count,

the Koppelman tracking device may be a running sum, or a running average, or any of a

multitude of other metrics that do not involve a count. Thus, inasmuch as other devices than

a count may be employed in connection with the Koppelman system, Applicants respectfully

submit that such a count is not necessarily inherent in such Koppelman system.

Moreover, and at any rate, Applicants respectfully point out that neither of the

Schull and Koppelman references appreciate a key advantage of the present invention as

recited in claims 82 and 96, which is that by incrementing the count over the plurality of the

transactions, the count in the entry is accumulated to a degree so that when the portions of the

payments are provided to the first customer based on the accumulated count, such portions

have accumulated to an appreciable value and are not so insignificant as to cause payment of

the portions to be a burden on the licensor. In particular, and again, paying out each portion

individually is likely impractical, inefficient, and costly, especially if each such portion is

very small, perhaps on the order of a few cents or so. For the same reason, Applicants

respectfully submit that there is not a sufficient motivation from either of the Schull and

Koppelman references to combine same to result in the present invention as recited in claims

82 and 96.

Thus, and for all of the aforementioned reasons, Applicant respectfully

submits that neither the Schull nor the Koppelman references, alone or combined, disclose or

suggest the subject matter recited in claims 82 and 96 as amended. Accordingly, and for all

the aforementioned reasons, Applicant respectfully submits that the Schull reference and the

Koppelman reference cannot be applied to make obvious such claims 82 and 96 or any claims

depending therefrom, including claims 85, 86, 88, 89, 91, 93, 96, and 97. Further, Applicant

respectfully submits that since independent claim 82 has been shown to be non-obvious, then

so too must all claims depending therefrom be non-obvious, including claims 92, 94 and 95,

at least by their dependency. Thus, Applicant respectfully requests reconsideration and
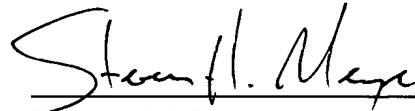
withdrawal of the § 103(a) rejections.

DOCKET NO.: MSFT-0179/150657.1
Application No.: 09/671,643
Office Action Dated: August 30, 2005

PATENT
REPLY FILED UNDER EXPEDITED
PROCEDURE PURSUANT TO
37 CFR § 1.116

In view of the foregoing Amendment and discussion, Applicant respectfully submits that the present application is in condition for allowance, and such action is respectfully requested.

Respectfully submitted,

Date: October 20, 2005

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